

OBSERVATIONS
ON THE
COMMERCE OF SPAIN
WITH HER COLONIES,
IN TIME OF WAR.

BY A SPANIARD, IN PHILADELPHIA.

TRANSLATED FROM THE ORIGINAL MANUSCRIPT,
BY *ANOTHER SPANIARD.*

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1800.



OBSERVATIONS, &c.

AS the Royal Decree of the 20th April, 1799, excluding neutral vessels from the ports of Spanish America, has occasioned the following Observations, I do not think it improper to annex, here, a copy of the decree, such as it circulated throughout the ports of the United States.

HIS Excellency Don Miguel Cayetano Soler has communicated to this Consulate* (the Board of Commerce of Cadiz), the following Royal Order—"The unceasing anxiety of the King for the happiness of his beloved subjects, and the representations addressed to him respecting the stagnation of the trade with our colonies, arising as well from the impossibility of exporting their produce, as from the want of Merchandize, and other articles of the first necessity, which occasioned irreparable losses to their Agriculture and Commerce, were the motives that induced his benevolent heart to issue the Royal Order of the 18th

* *Consulado*, translated Consulate: every time this word occurs, in the course of these Observations, it means the Board of Commerce of the place it relates to: it is a corporate body, possessing legislative and judicial powers in all matters relating to Commerce. (T.)

“ November, 1797, granting to all his subjects the
 “ privilege of trading to his American dominions,
 “ with articles not prohibited, either in national or
 “ neutral bottoms, as well from Neutral as from
 “ Spanish Ports, under such regulations as appeared
 “ necessary to prevent fraud, and to secure the re-
 “ turns being made to the Spanish European Do-
 “ minions.

“ But experience having evidently proved, that,
 “ as the necessary formalities prescribed could not
 “ be enforced, and even Spaniards themselves abus-
 “ ing the exclusive favour granted them, the salu-
 “ tary effects expected from this Royal Decree, in-
 “ stead of realizing themselves, have been wholly
 “ converted to the general detriment of the state
 “ and injury of the subject, both in America and
 “ Spain, and alone favourable to the increase of the
 “ Enemy’s Industry and Commerce ; placing there-
 “ by in his hands the most powerful means of pro-
 “ longing the war, and making all Europe bewail
 “ its dreadful calamity.

“ The King, with this positive knowledge, could
 “ not for one moment delay affording a remedy to
 “ so many evils, by annulling, as he has been
 “ pleased to annul, in all its parts, the aforesaid
 “ Royal Decree of the 18th November, 1797, and
 “ every permission that may have been granted by
 “ any other order, either generally or particularly,
 “ or by any provisional measure of the Vice-Roys,
 “ Governors, Intendants, or other agents in Ame-
 “ rica ; the Laws of the Indies and the Ordi-
 “ nance for *the regulation of the Free Trade**
 “ remaining, nevertheless, in full force ; and

* *Reglamento del libre Comercio* : a Decree of the King in 1778, opening the trade of the Colonies from the principal ports of Spain ; previous to this Decree it was carried on from the sole port of Cadiz, and even there by particular permissions.

“ by obliging the said officers, under their express responsibility, to take such steps as they should think necessary not only to enforce its punctual observance, but likewise to repair the damage any abuse of the said Royal Order may have occasioned, without admitting any excuse or pretext whatever tending to impede the fulfilment of this Royal Decree.

“ By these means, His Majesty hopes that the Commerce of Spain and her Colonies, being re-animated, will call forth all its energy to obtain thereby the great advantage which their reciprocal intercourse offers, diminishing, by the measures they may adopt, and such as necessity dictates in similar cases, the risks occasioned by the war ; but, if even the assistance of Government should be thought necessary, the Consulates of this Kingdom and those of America, may represent to His Majesty, whatever their duty and affection may point out ; in full confidence that they shall be duly attended to, whenever their views shall tend to promote the increase of our Commerce and Industry, and to remove the causes which have hitherto impeded it, to the general loss of his subjects and to the advantage only of his enemies. I transmit this Decree to your Lordships by his Majesty's Command, that as far as concerns you, you may attend to the execution thereof ; advising me of its receipt and of the measures you may adopt in consequence, for his Majesty's information. God preserve your Lordships many years. Aranjuez, 20th April, 1799.

“ SOLER.”

‘ The above Royal Order is made known to the Merchants for their information and government.

‘ Cadiz, 23d April, 1799.’

A FEW WORDS, BY WAY OF

P R E F A C E.

THE object of the following Observations is the prosperity of the Spanish Colonies in America, the advantages arising therefrom to Old Spain, the increase of the Royal Revenue and of our Commerce in general. Nature has combined these various interests; but avarice or ignorance has hitherto endeavoured to separate them. The experience of upwards of two hundred and fifty years, and the comparison of the situation of our colonies in the New World, with that of the islands possessed by other nations in America, must convince us that the principles adopted by Spain, in this respect, have not produced the salutary effects contemplated by the authors of the prohibitory system; and that the more liberal ones pursued by foreign nations, point out to us a sure road to that prosperity and riches they are susceptible of, to the great advantage of the mother country. It would be necessary to write a volume to treat this important affair as extensively and profoundly as it deserves. Such a work requires time; and, in my opinion, it is necessary not to lose an instant in bringing to public view the influence of certain measures, whose effects cannot be calculated, at so great a distance, without correct, accurate and impartial information. For this reason I have restricted the circle of my ideas to the mercantile system which it appears would suit us best in time of war; and I have endeavoured to commit them to writing with all possible celerity; hoping they may point out as speedy a remedy to the evils that at present threaten our possessions.

Notwithstanding the hasty manner in which these few ideas have been thrown together, and other nearly insuperable obstacles, such, nevertheless, is the irresistible power of truth, even under every disadvantage, that I hope its publication will produce salutary effects, by rending the veil with which error has covered itself during whole ages, and shewing that if the Sword of our Ancestors procured us rich and extensive Possessions in America, measures as great and liberal are necessary to cause them to flourish and prosper.

——“ It is the mass of surplusses occasioned by the whole of the cultivators, that forms the revenue of every other class in society. It is that which sets the carpenter and mason to work ; it is that which pays the foldier and sailor ; it is that which enriches the shopkeeper ; it is that which pays the fees of the lawyer and physician. In short, the only source of payment in a state is the produce of its lands and its seas, exclusive of the small income it may acquire by foreign commerce, *small in comparison of the immensity of the others, and often impolitically procured at the expence of that other.*”——

PRINCIPLES OF THE WEALTH OF
NATIONS ILLUSTRATED.

ERRATA.

Page 10—19th line from the top, betwixt the words *half* and *the*, insert *of*, so as to read *half of the*.

11—10th line from the bottom, betwixt the words *and* and *that*, insert *to*.

14—7th line from the bottom, dele *concisely* and insert *with celerity*.

do.—6th line from the bottom, dele *with*.

15—18th line from the top, dele *other*.

21—13th line from the bottom, after the word *abused*, insert *of*.

24—9th line from the bottom, after the word *well*, insert *as*.

27—16th line from the bottom, instead of *theorical*, read *theoretical*.

30—6th line from the bottom, after *will*, insert *be*, and in the next line dele *be*.

38—21st line from the top, dele *that*, and insert *which*.

39—5th line from the bottom, dele *the*, so as to read *to circumstances*.

45—10th line from the bottom, instead of *eutrals* read *neutrals*.

50—17th line from the top, after *merchants* insert *only*.

do.—18th line from the top, dele *only*.

do.—5th line from the bottom, dele *at*, insert *they*.

100

100

47-1031 (see from the bottom, middle)

OBSERVATIONS, &c.

PUBLIC happiness ought to be the aim of every government. Monarchies, as well as republics, should not for one moment lose sight of this important object. Nations, as well as individuals, bless the hand that makes them happy; and surely the love of the subject is the most solid basis of the Throne. From this reciprocity of interests must arise, on the part of those who govern, every endeavour towards the general prosperity; their power will consolidate itself by public gratitude, and nations will reap the fruit of their care and vigilance.

During the happy reign of Charles III. we beheld Ministers animated by a zealous activity, endeavouring to promote the Arts, Commerce and Agriculture. His worthy successor, Charles IV. inherited, with his father's sceptre, his paternal anxiety to rescue Spain from that decaying state to which she had been brought by a succession of unfortunate events. With such benevolent and laudable dispositions on the part of the sovereign, who can refrain from publishing ideas which may prove useful to the nation? Who will not depend on his protection, when he undertakes to disseminate certain important truths, hitherto obscured by avarice or ignorance?

This consideration has determined me to take up the pen: I shall express truths which may perhaps be thought harsh, but which ought not to remain untold; and if my writings should produce the reformation of any abuse, or the introduction of any improvement, I shall deem myself amply rewarded.

The prohibitory system, by which our colonies have been hitherto governed, was introduced since the days of Philip II. Spain, rich at that period, boasted a numerous population, a flourishing Agriculture, supported by numerous manufactories and an extensive Commerce. By these powerful means, the Mother Country could supply all the wants of the infant Colonies, and give vent to their produce, without the help of foreigners. In the four succeeding reigns, things assumed a different aspect: Our Agriculture, Industry and Commerce received a mortal blow by the expulsion of the Jews* and Moors; the population thus decreased, diminished daily by the constant emigration to our American Possessions: the continual wars, which the Kingdom sustained at this period, at the same time that they exhausted the Revenue, contributed to diminish the number of its inhabitants: finally, the succession war, which armed one half the nation against the other, gave the last blow to the remnant of our Ancient grandeur.

Although Spain had so unfortunately changed her situation, although we no more possessed the flourishing manufactories, or the former resources to supply the daily increasing wants of our colonies, our commerce with them still continued subject to a prohibitory code of laws, formed during the period of our prosperity. The consequences were such as might be easily foreseen. Our colonies receiving but a scanty supply of merchandize from the Mother Country, and these through the means of the *Flotas*,† at a most exorbitant price, could neither resist the pressure of necessity nor the temptation of the smuggler.

The English, from Jamaica and their other co-

* The expulsion of the Jews was prior to this epoch; but foreign authors represent it as a principal cause of our decay.

† *Flotas*, periodical convoys of licensed traders.

Ionies, the French, from St. Domingo, and the Dutch, from Curaçao, Buen Ayre, and St. Eustatia, inundated our possessions, as well in the West India islands as at Caracas, Carthagena, and along the gulph of Mexico, with merchandize, always ready at demand, and at reasonable prices. Our national commerce was nearly annihilated; and Spain, possessing in the New World a coast of four or five thousand leagues extent, beheld her commercial connections confined solely to the port of Cadiz, and was under the necessity of receiving from foreigners, at a very high price, Sugar, Cocoa, Indigo and other produce of her own Possessions. Although it may appear surprising to some, and to others a perfect paradox, we can affirm, *that foreign contraband preserved in our Colonies the germ of Agriculture, and of that prosperity which manifests itself since the benevolent and happy decree of free trade.* Without these efforts of foreign cupidity, the Spaniards in America would have been in want of every thing; and not possessing the advantages arising from a concurrence in the exportation of their produce, or the means of importing negroes, utensils of sugar-works, and implements of labour, Agriculture, which is, without doubt, *the richest mine of America*, would have remained nearly annihilated.

It is not my intention to trace the melancholy picture of the sad effects of the *flotas*, or of their evil tendency, equally with respect to our national prosperity, and that of the Colonies: I shall only observe, that eight or ten commercial houses of Cadiz were, in reality, masters of the trade of Spain, from Florida to California; and that the shipments in Spain, sales in America, and returns home, only displayed a ruinous chain of the most scandalous monopoly.

Among the distinguished traits which will render the memory of Charles III. grateful to Spaniards, the destruction of that mortal enemy to public

happiness, will claim an eminent place. But such is the influence of custom over weak minds, that, besides those interested in the abuses of the ancient system, ignorance increased its partizans at the very moment when the freedom of trade, extended to the other ports of Spain, deprived that of Cadiz of the exclusive privilege it possessed to the great detriment of the whole nation. There existed in Spain an opinion, unfortunately too general, which caused *trade* and the *trader*, or the *merchant* and *commerce*, to be considered as one and the same thing; and hearing the clamours of the monopolizers of Cadiz, at seeing themselves deprived of so rich a prize, it was believed by many, that *commerce* was ruined, merely because *a few merchants* complained. This error increased to such a degree, that all the energy of Government was necessary to support so just a measure. Time, at last, has come to the aid of reason; a sufficient number of years have elapsed to enable us to judge of its effects; and the commerce of Cadiz has now every reason to applaud it. The noisy and melancholy predictions of the discontented, which threatened the nation with the entire ruin of its commerce and rich possessions, are, to their shame, completely falsified. Cadiz, which they considered as the immediate victim of this wholesome innovation, instead of beholding its commerce ruined, has seen it flourishing and enriched. Its Customhouse, which, under exorbitant duties, and as the only channel of commerce between the Old and New World, hardly produced a million and a half of hard dollars, has, in the years preceding the late war with France, and since the reduction of the duties, by more moderate Tariffs, produced beyond four millions of dollars; the number of its vessels, the quantity of merchandize exported, and the valuable productions imported in return, have followed the same proportion; in a word, the circulation and riches of its mercantile relations with

America, increased in such a manner, that this ancient emporium of our commerce, condemned to death by false prophets, has, since the freedom of trade, enjoyed a more active commerce in an ordinary year of peace, than it had before in four or five.

On the other hand, his Majesty's subjects in the other principal ports of Spain, who were unjustly deprived of their right to partake of the riches of the New World, have seen their Industry, Agriculture, and Commerce revive by this equitable decree. Barcelona, and two or three other ports of Catalonia, Alicant, Malaga, Coruna, and Santander bear ample testimony that the justice and liberality of the Royal Decree of 1778 has contributed to their prosperity and increase. Government partly destroyed the Gothic edifice of our ancient commercial system with the Indies; and immediately private Industry, freed from ancient shackles, manifested itself, with activity and profit, in every part of Spain. This is a necessary consequence: reason and the celebrated Adam Smith, who is, without dispute, the Apostle of Political Economy, demonstrate, that Government, in measures directed to the general good, must limit itself to the removal of obstacles; private interest, always active, discerning, and industrious, will do the rest. The same author adds, and, in my opinion, with reason, that Governments must not give an exclusive protection to any particular branch; or direct, by any predilection, the employment of the capitals of individuals. The fetters once broken, and the road open and free, the individual knows, and always will know better than Government, the most productive use to which he can apply either his capital or his labour.

Enthusiasm has produced Systems in Sciences; and in Political Economy, which may be considered as a new Science, there already have existed the different schools we have observed in Theology,

Physic, Chymistry, and the other branches of human knowledge. The Economists of France wished, that the protection of Government should be directed to Agriculture alone; the GREAT COLBERT thought the manufacturing system ought to obtain this predilection; and in other countries, where there hardly exist manufactories, and where agriculture is not perfectly understood, every one speaks of the patronage Government ought to give to Commerce, for its prosperity; not considering, that without agriculture and industry, commerce cannot exist. Full of these ill digested ideas, they have likewise imagined, that the honourable distinctions allowed to some merchants, were a powerful stimulus to make commerce flourish. Experience has completely demonstrated the vanity of such hopes.

The evils resulting from these vulgar opinions, received without judgment, and authorized by a kind of tradition, is incalculable. For a few years past, every person in Spain talks of commerce and of its encouragement; the majority of the people think that *trade* and *the trader* are the same thing, and some worthy ministers, with the purest intentions, but blinded by the similarity of the names, have, many years ago, done evil with as much zeal as they would wish to employ in doing good. In order to avoid, for the future, such errors, and to shew, by the nature of these three branches, that which contributes most to the public happiness, I shall make some cursory observations, which will indicate the degree of protection due to each, according to its importance. From this general principle, which I shall endeavour to establish concisely and with precision, will naturally result the one we must adopt, in relation to our commerce with his Majesty's Possessions in the New World.

Agriculture is, without dispute, the fountain and origin of the first materials most necessary to man: to it we owe the means of subsistence; and without

It, the artist, as well as the merchant, could never support himself, or employ his industry, except in some articles of luxury or of secondary necessity.* The Bread, that maintains the European, the Maize, that nourishes the Indian, the Potatoe, Yam, and Cassava, that refresh and invigorate the fatigued Negro, and the Rice, that supports the amazing population of China and Indostan, are the precious fruits of Agriculture. This benevolent mother, not contented with offering us these necessary means of subsistence, draws from the bosom of the earth the materials that contribute to clothe and comfort us. Flax, hemp, silk, cotton wool, and an infinite number of similar articles, we owe to her bountiful hand. Nature itself appears to attend particularly to its fecundity. The sun, the air, rains, tempests, snow, cold, heat, and every other meteor, appear destined by heaven to favour the useful occupation of the industrious farmer: without his assistance and beneficent productions, the manufacturer would hardly find employment; and, in this case, for want of the objects of exchange, neither would the merchant or commerce exist. The advantageous utility of Agriculture, over its rival branches, being thus clearly demonstrated, and this superior utility once acknowledged, it is evident that the first and most anxious care of Government ought to be *the protection and encouragement of Agriculture, as well in Spain as in her Colonies.*†

* Works of metals and other similar employments.

† The following passage, from Smith's incomparable work on the Wealth of Nations, deserves attention. "Compare" says he, "the slow progress of the European states, whose riches is owing in a great measure to the activity of commerce and manufactories, with the rapid increase we observe in our colonies of North America, who receive all their riches from agriculture, and it will be seen on the one hand that five centuries are necessary,

Next to Agriculture, immediately follows Industry. It creates anew, it may be said, the articles produced by the former, by the new preparations, or forms, they receive from its hands. The labours of that industrious class which transforms the first materials, and prepares them for our use, must necessarily attract the notice of Government. In vain it may be said, although with reason, that the artists are not a productive class ; that they do not, in reality, increase the capital of the nation. Their existence, in the actual situation of society, is, to a certain degree, necessary in every state. I say, to a certain degree ; alluding to those manufacturers who are employed in objects of immediate use ; but, unfortunately, luxurious industry has hitherto attracted the greatest protection, and the encouragement granted to its different branches appears to have been dispensed in an inverse ratio to their usefulness. The art of preparing Iron, in the various forms it is susceptible of, is, without comparison, more useful than the fine works of Gold or Silver ; nevertheless many pensions have been granted, at the cost of the revenue, and other great expences have been incurred, in order to naturalize in our land the manufactory of those precious baubles ; when, at the same time, we hardly possess manufactories of hard-ware, foundries, sheet iron, nails and other articles, such as are manufactured at Birmingham and Sheffield, which, well attended to, would rapidly prosper in the vicinity of Motilua and Somerrostro, and many other parts of Spain.

Commerce, Commerce, is the favourite theme of the public. The example of England and Holland

“ at least, to the major part of the European states, to
 “ double the number of their inhabitants ; when, on the
 “ other hand, it will be observed, that 20 or 25 years are
 “ sufficient in our American colonies to double their popu-
 “ lation.”

is to some an irresistible argument ; and, confounding the effect with the cause, they *endeavour to build up the edifice of public prosperity by beginning its fabric where they ought to end it.* England, which has dazzled so many superficial economists, began by encouraging Agriculture, as the fountain of general wealth ; hence arose its extensive and flourishing Commerce. Although the celebrated Queen Elizabeth favoured the settlement in her dominions of those useful Flemish artists who fled from the hostilities of Philip II. and laid the foundation of those prodigious manufactories which have since multiplied themselves in Great Britain, still Agriculture attracted a great deal of her attention. A celebrated French writer, speaking of her reign, expresses himself in the following words, “ on commençoit en Angleterre à considerer la culture des terres comme le *premier* bien, tandis qu’en Espagne on commençoit a negliger ce *vrai* bien pour des trésors de convention.” The flourishing Commerce which this nation enjoyed during the present century, is a natural consequence of its extensive and improved Agriculture, and of the mass of its Fabrics, supported by well conceived and well digested laws ; but we have never seen England (whose measures, in these matters alone can, by comparison, be called perfect) grant to either the Port of London, Bristol, or Liverpool, an exclusive privilege to trade with all its colonies, such a monopoly would have nipped in the bud her prospering Commerce. It is true, that the Turkey Company is, in fact, a monopoly ; so is, likewise, their East India Company, although less prejudicial, from the great number of its shares, or stockholders, but these establishments have already been denounced to the nation, as real enemies to its public felicity. They have, in consequence, experienced severe reforms ; and if, on the one hand, the East India Company did not purchase its exclusive privilege, with the sum of 500,000*£*.

sterling, which it pays annually to government, and if it were not, in many instances, a powerful instrument to favour the intrigues of the ministers, it would ere this have received the mortal blow of its dissolution. Reason condemns it; the trade in general of the kingdom will one day assert its rights; and if France, or the powers of India do not destroy, in the course of the present war, the gigantic empire England possesses in Asia, we can anticipate that those vast possessions at present subject to the monopoly of a certain number of individuals, will offer their riches to *all* the merchants of Great-Britain, at the expiration of the company's new charter.

Commerce is generally considered to be the grand arch of the power of Great Britain; there is no doubt but it is one of its principal pillars; but the most solid basis of her riches is her *Agriculture*. According to various statements presented by Mr. Pitt in parliament, in order to form an estimate of the produce of the ten per cent. tax on general incomes, it appears that the annual produce of her agriculture amounts to eighty millions sterling; when her Commerce, not its advantages, but the real capital employed therein, although it is actually at its zenith, owing to the ruin of that of other nations, does not in reality amount to twenty-eight millions. The United States of America have a very extensive Commerce, founded entirely on the produce of their Agriculture: the high price of labour will not permit them to possess for many years to come manufactories of any consequence; nevertheless their exports can be calculated at from twenty-five to twenty-eight millions of dollars: I speak merely of the produce of the soil, for being actually in possession of the carrying trade of the English, French, Spanish and Dutch West-Indies, and inserting in the registers of their customs, when they touch at their own ports, its amount, the total of their exports has been sixty

millions of dollars. This prosperity never took its rise from exclusive privileges; not only all their ports have the same right to the advantages of trade, but, by an express clause of the constitution, no duties whatever can be levied on their exports.

Local circumstances obliged Holland to become a commercial power. Without more land, than, generally speaking, its industrious inhabitants have been able to gain on the sea, low, inundated, and of a bad quality, it was not possible for that Republic to seek riches in their barren soil. Their Industry and Economy, assisted by their conquests over the Portuguese, in India, made them rise to the consideration, respect and admiration of all Europe; but had other nations not been immersed in the darkness of ignorance, and had they employed the same means that Holland did, the latter would have remained reduced to the insignificance of its own internal resources. But how did they begin to extend their immensely rich commerce? Not by any monopoly, but, on the contrary, by a liberal system and such moderate duties that all other nations, as well from this circumstance, as from their situation, chose their ports, although inconvenient and of difficult access, as the best place of deposit for their merchandize. It is true, that the progress of their prosperity would have been greater, had they not departed from so sound a principle, with respect to their East and West India Companies; but this only proves, that in those days political economy was little understood among nations. The famous Peter Paulus, Fiscal of the Admiralty of the Meuse—who has since been first President of the Batavian Convention, a person whose memory will do honour to Holland, by his talents, virtues, and extensive knowledge—this worthy patriot, perhaps the one best acquainted with his country and her distant possessions, assured me, a few years ago, that he saw no other way to re-establish the commerce of Holland, except by

dissolving the East India Company, in which he himself acted a principal part. I have allowed myself this digression to show that monopoly, *of whatever kind it may be*, carries along with it the principles of destruction; while under the influence of liberty, every thing prospers, flourishes and fructifies.

There are two kinds of monopolies to be considered as to Commerce: the first, when one or more individuals obtain exclusive privileges to the prejudice of the general mass of the nation: such as when the merchants of Cadiz alone could send their vessels to our Colonies. The other is, when the merchants, deceiving the good faith of the government, obtain from it an exclusive, or at least a more advantageous protection in favour of Commerce than of Industry or Agriculture. It might perhaps be observed, that such is the intimate connection between Commerce, and Industry, and Agriculture, that the promotion of the first tends evidently to the prosperity of the other two. I agree in the force of this observation, when the *Commerce of the nation has the means of supplying the wants* both of the Mother Country and her Colonies; but whenever either from the want of these means, or by the interruption of mercantile intercourse arising from war, or any other accident the national Commerce cannot attend to these necessary demands, it would be unjust to deprive his Majesty's subjects both in Spain and her Colonies of the articles of first necessity, merely because they were not to receive them from the privileged hands of our merchants; it would be sacrificing our important Colonial Agriculture and the happiness of several millions of good Spaniards to the unfounded jealousy and unbounded ambition of a few individuals: in a word, it would be to submit the interest of the principal to the ridiculous pretensions of the accessory.

From the first of these Monopolies we have got clear, through the means of the *wise regulations*

respecting free trade. The second is a formidable enemy, which we still have to combat ; and so much the more formidable, by reason that an opinion, much more extensive than learned, offers it a numerous phalanx of partizans and defenders. Wherefore, I well know the difficulty of my undertaking ; but I likewise know, that the greatest of all evils, is, to believe that they are incurable. I am equally acquainted with the honour and good faith of my nation, to whose prosperity my labours are directed ; and that its good sense will appreciate my intentions, and the value of the arguments I shall advance in support of my opinion. At all events, to desist, through fear, from publishing truths, when they can be of service, and to respect error, merely because it is accredited, is as far beneath my character, as it is blameable in a good Spaniard, attached to his King and Country.

Private interest is the main spring of the human heart : it is a stimulus with which nature has endowed us, directed to our preservation : when kept within its natural bounds, it is a virtue, and is laudable, from the noble end to which it tends ; but when it breaks the just limits that ought to restrain it, when it endeavours to extend itself, to the prejudice of others, it is necessary to check its progress. The best of things become dangerous, when abused ; a torrent sweeps and destroys all it finds in its way ; but if its waters are banked up, and intelligently distributed by well-directed canals, instead of being dangerous, it is a source of prosperity and riches. Fire, generally speaking, is to man a necessary agent : it is a protection against the inclemency of winter, and extremely useful for domestic purposes, and in several operations of the Arts ; when at the same time, this comforting element burns, consumes, and annihilates every thing, if prudence and vigilance do not manage it with discretion. The same happens with respect to trade. Its operations are necessary,

useful to society, and deserve the protection of Government ; but when, through cupidity, it extends its views in a manner that may prejudice society itself, the Government that protects it, ought to restrain the efforts of its ambition, in order to save the other branches ; which we have already demonstrated not to be less important. In a word, the use or abuse of things, decides, in many instances, whether they are to be considered as a good, or as an evil.

Merchants, artists, and farmers, animated by the spring of private interest, all, respectively, endeavour to draw the greatest advantage from their capitals and their labours ; but the circumstances attending their respective situations, have made the merchants, favoured by opinion, more fortunate in the result of their endeavours ; and thus they have obtained, nearly among all nations, monopolies—at first dictated by the best intentions, but afterwards condemned by experience. In England, in that island, with reason considered as the Temple of Industry, where political economy has been earlier and more extensively understood than in other parts of Europe—in England, I repeat, the Artists and Merchants obtained monopolies with respect to their Colonies, which brought on a great catastrophe for Great Britain. The Colonies she possessed in North America, which now compose the United States, shook off the yoke of the mother country, on account of the infinite number of restrictions which Government had imposed on them, in compliance with the wish of the merchants and artists of Great Britain. Although the duties on tea, and their pretensions to a representation in Parliament, occasioned the rupture, yet it was caused by many other vexations that had prepared for it the minds of the American Colonists. By the exposition thereof, made in the declaration of independence, it will be seen that a blind predilection in favour of the merchants and artists of England,

deprived George III. of one of the richest jewels of his crown.

In France the merchants obtained, for a considerable time, the like advantages with respect to their West India Islands ; but they could not be of any fatal consequence to the Kingdom, because the field of their operations, reducing itself merely to the French part of St. Domingo, Martinique, St. Lucie and Guadaloupe, and on the other hand the number of merchants that participated in this trade, from Nantes, Rochelle, Havre, Bourdeaux, Marseilles, &c. being great, there was constantly a concurrence at their markets, which at the same time that it supplied all the wants of the Colonies, procured a speedy vent of their produce at advantageous prices, by the very effects of this concurrence. Another circumstance likewise contributed to the rapid prosperity of those Islands. During a great part of this century government contented itself with the receipt of 4 per cent. on the articles sent to the Colonies, and 4 per cent. more on the returns ; the moderation of this duty, at the same time that it enriched the Colonies, gave the merchants an enterprising spirit, from whence they derived great advantages. Nevertheless the increase of Agriculture, and population in the Colonies, required, on the part of the national Commerce, an increase in the remittance of provisions, such as Flour, Cod Fish, Salt Beef and Pork, Lumber for building, staves, and other indispensable articles. The merchants could not procure them but from foreign parts, importing them into France and exporting them afterwards from their ports to the Colonies. This circuitous method, the expence whereof must fall on the consumer, was not in many instances sufficient to supply the daily increasing demands of their Islands ; and often occasioned famine and embarrassments. At length those Colonies represented their grievances in a respectful manner, but with irresistible arguments, to



the unfortunate Lewis XVI. and his council, convinced of the justice with which the colonies solicited, in spite of the clamours of the merchants of the different sea ports, published a Decree, on the 30th of August, 1784, establishing four free ports in the French Islands, and permitting neutrals to import salt provisions, live stock, lumber, flour, rice, and nearly every kind of provisions, taking in return some produce of the Colonies.*

The fermentation caused by the publication of this measure, in the different maritime cities, is beyond expression. Prophets, who always appear in calamitous times, just like mushrooms after rain, prognosticated that the Commerce of France would thereby be ruined: the clamours of the merchants circulated from one city to another; and their lamentations were similar to those of our physicians when Madrid was cleansed: or like unto those of the merchants of Cadiz when the regulations of free trade were adopted: at length it was determined to call a general meeting of the merchants of the interested ports, and they appointed their deputies, in order to go and represent immediately at Versailles, all the evils that threatened the Commerce of France.

The enlightened minister who had adopted so just a measure, foresaw the complaints of the merchants, as well he had foreseen its advantageous result. His answer was, therefore, that they might present their observations, and that if his Majesty found them just, he would do them immediate justice. Animated by this answer, the deputies of the Commerce disseminated throughout the anti-chambers of Paris various printed notes and memorials, representing their grievances and their pretensions. The agents from the Colonies and the owners of

* This was in time of peace; when the navigation of France was neither exposed or interrupted.

plantations, who were very numerous in Paris, wrote, on their part ; and a paper war commenced in France, in which the merchants were also defeated. As from the shock of the steel and flint rapidly issues forth the spark, so did, from this shock of opinions and from the comparison of writings, truth immediately appear. The planters demonstrated, in such glaring colours, the fatal consequences which had taken place in the Islands, by the unjust monopoly to which the merchants of France still aspired, that the opinion of the public turned entirely in favour of the Colonists, and the minister supported the wise Decree of the 30th of August. Time developed the unjust pretensions of the merchants ; and the Commerce of France, in lieu of suffering the evils that had been prognosticated, was never so extensive and flourishing as in the years immediately following the Decree, until the beginning of the revolution. On the other hand, the Agriculture of their Islands arrived at the highest pitch of prosperity, as it is proved by the annexed statement of their exports presented to the Constituent Assembly.*

As the expression I have made use of before, namely, that the traders (or merchants) are not the trade (or Commerce) may still appear a paradox to some, and that clear ideas on this point may produce as much good for the future as the contrary ones, it appears, have hitherto injured us, I shall take the liberty of copying here a paragraph of one of those writings which appeared at Paris during this famous controversy : when I say I shall copy, I mean I shall extend some ideas, to the best of my recollection, from a book I read ten years ago.

“ What is Commerce ? ” says the author, “ It is the movement or circulation of the objects of exchange, by which we get rid of our surplusses,

* Vide the Table at the end of this Essay.

“ and whereby we obtain the articles we are in
 “ want of. Who are those that contribute most
 “ towards Commerce, and who are, consequently,
 “ its essential parts? It is the creators of the ob-
 “ jects of exchange, either natural or manufactured:
 “ it is the farmers and the artists:* ye merchants
 “ of the sea ports, ye are nothing more than the
 “ brokers and carriers of Commerce; more, in
 “ many instances its greatest enemies, by the ex-
 “ orbitant charge of your interference. Do ye
 “ contemplate the good of the state in your ope-
 “ rations? No; gold is your idol, and the object
 “ of your exertions; as I have always seen you
 “ contented in times of scarcity, and dejected in
 “ those of plenty.

“ Ye say that ye protect the farmer and the ar-
 “ tist; but how do you protect him? Advancing
 “ him succours of little value on his crop, or on
 “ his labour, at such injurious conditions, that, in-
 “ stead of keeping him from sinking, your very
 “ succour overwhelms him more and more in po-
 “ verty. Is war declared betwixt your sovereign
 “ and another power, ye never take an active part
 “ in the contest. Of what importance are to you
 “ the disputes betwixt crown and crown? the mer-
 “ chant, as ye say, is a cosmopolite, or a citizen
 “ of the world; thus have we seen the Insurance

* This idea of the French author, however extraordinary it may appear to some, is ancient, and is corroborated by the English Parliament in the time of Charles II. During that reign, several proprietors began to convert their lands into pastures, even such as had before been cultivated. Parliament, to avoid the evil consequences of this innovation, passed an Act by which all the land holders of the Kingdom were obliged to cultivate a certain number of acres, in proportion to their estates. This bill was entitled “An Act for the Increase of Trade;” which evidently proves, that already in those times Agriculture was considered in England as the most essential part of Commerce,

“ Company of Bourdeaux, valiantly betting against
 “ the efforts of their sovereign, by insuring English
 “ ships. What was the result of this conduct ?
 “ that ye saw with a melancholy and hypocritical
 “ countenance every advantage of our navy, when
 “ on the other hand the gaiety of your face an-
 “ nounced the safe arrival of some convoy in the
 “ enemy’s ports. What are your views, in trading
 “ with the Colonies ? to oppress and annihilate in
 “ such a manner the planters, that in four or five
 “ years ye may depend on having a fortune, which
 “ by a trade of moderate profits, ye could not have
 “ made in less than fifteen or twenty. Conse-
 “ quently how do you use Commerce ? As the
 “ traveller uses the furniture of his lodgings, &c.
 “ Nothing proves better,” he adds, “ that two
 “ things are not identically the same, than that
 “ they can be abstractedly considered apart. Let
 “ us for one moment suppose, that the farmer him-
 “ self should sell his crops, and that the artist or
 “ manufacturer were to buy them directly with the
 “ fruit of his Industry. In this case Commerce
 “ would in reality exist, and yet it is evident that
 “ the merchant would not. This proposition is
 “ purely theoretical ; I confess that the multitude,
 “ or diversity, as well as the rapidity of exchanges
 “ require other intervening hands ; but neverthe-
 “ less it always proves that Commerce and the
 “ merchant are not the same thing. In a word, it
 “ would be as ridiculous in the merchants to pre-
 “ tend to be Commerce itself, as it would in the
 “ clergy to pretend to be Religion.”

In these terms, nearly, did the French author,
 I quote, express himself. I agree, that the colour-
 ing of this picture is rather strong ; perhaps exag-
 gerated : but in the midst of all the author’s acri-
 mony, it is necessary to confess, there are some
 bright ideas, that evidently prove with what just
 circumspection and caution Government should lis-
 ten to the proposals and promises of merchants.

I believe I have demonstrated, that the first object of Government must be the encouragement of Agriculture, *as well in Spain as in her Colonies*. I have likewise clearly proved the right which Industry has to its immediate protection. Although trade occupies the third place, it will flourish if the other two branches prosper. I do not speak of the commerce of monopoly, which is as great an enemy to true Commerce, as it is to Industry and Agriculture; but only of that rapid and quick movement of the objects of exchange, useful to the co-operators of its functions, which, like the circulation of the blood in the human body, animates and vivifies each component part. I have likewise represented Monopoly as a destructive monster that it is necessary to chain; I have described him with all his marks, that he may be easily known by the light from the torch of truth. I shall now proceed to make an application of the principles I have established, with respect to our mercantile intercourse with his Majesty's possessions in the New World. I shall nevertheless add, that I neither am a merchant or do possess an inch of ground in the Colonies: this circumstance, will at the same time display my impartiality, and prove that a disinterested desire for the prosperity of my country is the sole impulse which directs my pen in the course of this little work.

The mercantile connections of Spain with its Colonies, must be considered under two aspects. The one, when Spain enjoys the benefits of a profound peace: the other, when obliged by the injustice of her enemies to resort to arms. The difference of these two situations must of course produce different methods in our mercantile operations; but in both *we must separate ourselves as little as possible from certain principles approved of by reason and recommended by experience*. We may perhaps treat on the former subject on some future occasion.

What can the wishes of the Sovereign, and of the nation at large be, with respect to the Colonies in case of war? After those for their safety, their wishes can be no other than to see them free from the losses and embarrassments which always accompany this calamity; they will also be, that those inhabitants who have the honour of calling themselves his Majesty's subjects in those remote regions may acquire in abundance, and at equitable prices, such articles as are necessary to them, as well for their subsistence and personal use, as for the cultivation and improvement of their lands; they will likewise be, that they may obtain an easy, sure and advantageous vent of their produce; they will finally be, that in lieu of decaying or being debilitated by war they may obtain in the midst of it the benefits of peace, an ever increasing prosperity. What can their wishes be with respect to the Mother Country? That her Agriculture, Industry and Commerce, might suffer as little as possible, and that the articles she may receive from the Colonies, some of which have through custom become of the first necessity, such as Cocoa, Sugar and others, might still continue to come from the Colonies in abundance and at reasonable prices. Which are the means to obtain this truly important object? I only see two. Either a very active national navigation from our ports in Europe to those of America, or to open our ports generally to all neutrals, under the positive restriction of not admitting any articles of the manufacture of our enemies.

Who in Spain will dare to say that the first of these means is obtainable in the present war with England? The merchants alone (because merchants promise every thing) are capable of such an assertion. But if it were obtainable, why did they not adopt it during the first period of the present hostilities? Why did they not send supplies to Vera Cruz proportionate to the consumption of the considerable population of Mexico? Why did they

not supply the Havanna and Caracas when those ports were closed? Why not Carthagena, Buenos Ayres, Chili, Lima, &c. &c.? Surely in the greatest number of those ports they had no rivalship? It is true they have made some shipments; but what has been their fate? The registers of the Courts of Admiralty of Jamaica, Providence, Bermuda and Halifax will inform us of their ultimate destination. What have been the consequences in those parts where neutrals have had no access? A general stagnation of Commerce, an absolute want of every thing, the produce of the country without export, and consequently very low; the most indispensable European articles, such as Woollens, Shoes, Brandy, Wines, and others of the same kind, at a most exorbitant price. Agriculture of course on the decline, and every thing inactive except contraband trade. What prospect is there of a change of situation, if we close our ports? None. The English have in the American Seas, from Trinidad to the Chesapeake, above fourteen sail of the line, exclusive of frigates. Their privateers from Halifax, Bermuda, Providence, Martinico and Jamaica, are active swarms, stimulated by cupidity, that always block up our ports, even when we have no navigation; what will then be the case when they know that the Spanish Colonies must absolutely receive their supplies from the Mother Country? The prospect of a rich and sure prize will double their number and vigilance, and we may anticipate that out of fifty vessels that might sail from Spain (if that number should sail in the course of a year, which I very much doubt), hardly will five or six arrive at the place of their original destination. In this interval what will the situation of his Majesty's subjects, in his American dominions be? Hunger, nakedness, discouragement and the abandonment of their valuable cultivation, will be the necessary result. In this situation the French, English and American smugglers, and those of every other na-

tion, that navigate those regions, will appear in the bays and small uninhabited ports of those immense coasts. They will offer them their fresh Flour, Cod fish, Salt Provisions, Cloathing and every other article they may desire or wish, at prices which the purchasers will think reasonable. How will it then be possible for the naked and hungry Spaniard to resist so violent a temptation, when the impenetrable woods, sole witness of the contract, will offer him impunity? In these conferences, agreements and demands will be made, signals concluded on, time and place appointed, in a word, an immense contraband trade will thus be regularly organized, which it will not be in the power either of the most zealous Governors or of the most numerous and expensive guards to impede. The merchandize of our enemies will of preference be introduced, by the advantage they derive from the situation of their Possessions and their protecting forces; the Spanish Americans will accustom themselves to depreciate the Laws, and the King will lose the considerable revenue that would accrue to him from the moderate duties of a licit traffic, useful in its results to his subjects in Europe, as well as to the prosperity and riches of the Colonies. And wherefore all these losses? Wherefore these extortions and sacrifices? Is it that ten, twelve, or twenty houses of Cadiz, Santander, and Barcelona should gain forty or fifty thousand dollars per annum? No, surely, that equity and justice which characterises the good and virtuous Monarch at present on the throne, and the upright intentions of the ministry, will never approve, when they are better informed, a system as contrary to humanity, as it is to the views of sound policy.

The very preamble of the Royal Decree communicated from Aranjuez, in April last, to the Vice Roys and Intendants of America, and published in Cadiz the 23d of the same month, closing the ports of our Colonies to all neutrals, evidently shews that

the Consulate of Cadiz, to whose reiterated remonstrances this decree is attributed, has surprized the good faith of Government. In fact, how is it possible that the most enlightened, the most virtuous Ministers, animated by the greatest zeal, can avoid such deceptions and mistakes in matters which are to operate in such remote points! Full of confidence and desirous of doing good, they endeavour to procure such information from the Consulates, as may give them light on the advantages or disadvantages of certain measures: if the Consulates, either through ignorance or through the sordid views of interest, disfigure or alter truth, the ministers in a manner become the innocent instruments of evil, though their intentions should be the purest and their wishes most patriotic and zealous.

In the said preamble, it is observed that the Royal Decree of 1797, by which Spaniards are permitted to make their shipments from neutral ports and in neutral bottoms "has been wholly converted to the general detriment of the State and injury of the subject, both in America and Spain, and alone favourable to the increase of the industry and Commerce of the enemy."

If my situation had not enabled me to obtain very accurate information, through very impartial channels, respecting the manner with which the said decree was carried into effect, and of its results in the Colonies, I should not presume to doubt, for one moment, this assertion in a document we must respect; but as, according to the knowledge I have of the matter, it appears to me not very correct, I can only attribute it to the inaccurate information of those who have implored this measure.

The irresistible laws of a most imperious and absolute necessity had obliged the Government Council of the Havanna to deviate from the existing orders by a temporary opening of that port. That populous city contained besides its inhabitants a fleet, whose crew it was necessary to preserve against

the influence of a climate, a mortal enemy to Europeans, by fresh provisions, of a good quality. On the other hand, the Havanna was the deposit of the valuable produce of numerous sugar works established in its vicinity. The riches and prosperity of the Island of Cuba depended on its exportation, and the provisions, clothing and other necessary articles for its inhabitants, were, according to the regulations of free trade, to be imported in Spanish bottoms; but the very same difficulties which will hereafter interrupt our navigation, did even then obstruct and render it impracticable: the trade of Spain could not supply the wants of the Island of Cuba; the collected crops were damaging in their deposits: this capital, without action, produced real loss; the inhabitants were in want of every thing, and the Council very wisely took upon themselves to open the port to neutrals for a limited time. This measure, as simple as it was advantageous, was also a remedy to all the evils with which the Colony was afflicted; it was a restoring balsam that renovated her vigour and life. The port was filled with vessels, the plentiful markets supplied the Spanish planter with all his wants, as well for his subsistence and comfort as for the cultivation of his land. The amazing deposits of Sugar, Coffee, Cotton, and other productions of the Island, were thrown open, and the concurrence of those foreigners who had supplied the inhabitants with the articles they wanted at moderate prices likewise facilitated the vent of their produce at very advantageous terms. I fancy I hear our merchants exclaiming, "Yes, all this is very true, but it is likewise true that these very Sugars, Coffee, &c. were carried off by foreigners, to the great detriment of our Commerce." But I shall answer them, "My friends, by the same principle ye ought to complain that foreigners export our Wines and Brandies from

“ Catalonia, Fruits from Valencia, Flax, Sparto,*
 “ Sofa and Barilla from Murcia, Raisins, Almonds,
 “ and Wines from Malaga, Oranges and other
 “ fruits from Seville, Wines from Xeres (Sherry),
 “ and other produce from the vicinity of Cadiz.
 “ From whence have ye concluded it were possible
 “ to carry on a trade, the advantages whereof should
 “ all fall on one side ? By this rule it would be im-
 “ possible for trade to exist. Besides, what would
 “ have been the consequence in the Island of Cuba
 “ had not foreigners been admitted ? Its valuable
 “ and abundant produce would have rotted in their
 “ stores ; Agriculture would have received a mortal
 “ blow, on the one hand, from a total privation of
 “ exports, and, on the other, by the want of negroes
 “ and instruments of labour : its inhabitants, who
 “ are Spaniards like yourselves, and who love their
 “ King and country as well as ye do, would not
 “ have had bread to eat, or clothing to cover their
 “ nakedness. That important place, the key of
 “ the Mexican gulph, and of his Majesty’s most
 “ valuable possessions, threatened as it was by a
 “ siege, would have been without provisions and
 “ clothing for its troops ; the sailors, difficult or
 “ impossible to replace, would have fallen victims
 “ to the scurvy, black vomit and other sicknesses
 “ frequent in that climate, which originate, in many
 “ instances, from the want or the bad quality of
 “ provisions ; and which ye would have increased
 “ by the small quantities of half rotten flour that
 “ ye might have been fortunate enough to import
 “ from Europe in spite of the vigilance of our
 “ enemies.”

The Havanna was in the situation I mention, of
 a partial and momentary liberty, when the decree
 of November 1797 arrived, its execution has as-

* *Sparto*, a kind of rush, so called, employed in different do-
 mestic uses. *Sofa*, glasswort, an herb.

fured the prosperity of the Island of Cuba, and its
 benign effects far from permitting the calamities of
 war to be felt therein, the Island of Cuba enjoyed,
 in the midst of hostilities, all the blessings of peace.
 Not only has the cultivation of the old plantations
 been improved, but even much new ground has
 been cleared, broken and planted. Its industrious
 inhabitants have taken the advantage of such fa-
 vourable circumstances, to establish new Sugarworks,
 Cotton and Coffee plantations; their Molasses, for-
 merly without value, and which they were fre-
 quently obliged to throw away for want of vent,
 has given them considerable gain, with which they
 have purchased negroes and whatever they were in
 want of, to extend more and more their Agriculture.
 Let it not be believed that this picture is in the
 least exaggerated: I appeal to the Captain General,
 the Count of Santa Clara, to the Intendant and to
 all its inhabitants, who bless the generous hand of
 the Sovereign who has known how to make them
 happy, even in the midst of the difficulties of war.
 With this equally flattering and true exposition shall
 we not be permitted to observe, that the merchants
 who have deceived the good faith of the ministry,
 in order to obtain the last Royal Decree closing the
 ports to neutrals have not been very exact in their
 information when they assured them that the Royal
 Decree of November 1797 *has been wholly con-
 verted to the general detriment of the state and injury
 of the subject, both in America and Spain?* It is un-
 questionably true, that this Commerce gave profits to
 some American merchants, but how many have
 ruined themselves thereby? their active and restless
 ambition induced them to send cargo on cargo,
 without either calculation or prudence; the conse-
 quence was, that merchandize of every species was
 sold, towards the end of May 1799, at 20 or 25 per
 cent. loss, and the produce of the Island rose in pro-
 portion to the superabundance of those articles.

Respecting Louisiana and the Floridas nothing can

be said. These provinces are subject to a particular commercial code, entirely independent of the decree we are speaking of. But I can assure, with safety, that New Orleans and its dependencies on the Mississippi, either from the effects of the said code, or by the advantage of their situation, rapidly prosper, and bid fair to become one day at least one of the most important points of the New World. Let us then examine, whether the decree of 1797 has been prejudicial to the kingdom of Mexico.

When we consider the extent, the riches and the population of New Spain, its various and precious productions, and the increase they are susceptible of, by establishing with Vera Cruz a trade on a free and liberal principle, we must suppose that very powerful reasons have existed to deprive that happy country of the concurrence of neutrals during the present war. In vain did the decree of 1797 arrive at Mexico, and vain were the hopes the Mexicans possessed of seeing themselves amply provided with the most necessary articles and of obtaining a sure vent for their Sugar, Cochineal, Jalap, &c. which were perishing through stagnation; the port of Vera Cruz remained inexorably closed, and his Majesty's subjects were deceived in their hopes. I must suppose that the motives for not putting the said decree in execution until the end of 1798, originated from causes which distance occults from us; but what appears to me very clear is, that, considering the subject merely under a mercantile point of view, much loss must have accrued to the Mexicans in not admitting, previous to that late period, neutral vessels in the port of Vera Cruz. The motives which induced me to form this opinion are, first, the knowledge that the population of the kingdom of Mexico annually requires a considerable importation of Brandy, Wines, Woollens, Linens, Hardware, Glassware, &c. and secondly, it is evident that at the same time this stagnation of the produce and precious metals of the inhabitants of that Kingdom, preju-

diced their quality and lessened their value, it was equally contrary to the interests of the proprietors. Under this supposition, and taking into consideration that since we have been at war with Great Britain, few are the Spanish vessels that have been able to enter Vera Cruz, we must naturally infer that the inhabitants of New Spain have been in want of every thing, and that their produce has had no vent. There are symptoms which, in truth, evidently indicate this; according to the price current of that place, previous to the opening of the port to neutrals, the price of European articles was so exorbitant, and that of the produce of the country so very low, that it is indubitable this total exclusion of trade (as it cannot be said there really existed any at that period with the Mother Country) must have caused great detriment to New Spain. What appears, and must be, a necessary consequence of similar measures, is an extensive contraband trade. The English ministry knew very well that in war time our Colonies could not receive the usual supplies from Europe; and that it would be a very favourable occasion to resuscitate their ancient Commerce of contraband, granting to the Spaniards protection, and the liberty of trading to their Colonies. These considerations determined his Britannic Majesty's privy council to publish, about two years ago, an order by which the trade of Jamaica and New Providence was opened, although in time of war, to the Spanish subjects, granting them protection, not only in the said Islands but likewise in their voyages to and from the Spanish Possessions, by means of special passports granted by the Governors of the said English Islands. The British ships of war protect these smuggling vessels and the privateers respect them. The urgent wants of New Spain, and the invitation of the English, have occasioned all this while a considerable contraband trade, which the hundred eyes of Argus could neither see nor prevent along the extensive coast of that immense

continent. An American gentleman of credit, who spent a great part of 1798 in Providence, assured me, that he has seen sail in one day from that Island, for different ports of the Spanish Main, 17 Spanish vessels, *under convoy of an English cutter of war*; and he further informed me, that on Sundays when it is customary to display, in port, on board of ships their respective national flags, he constantly observed a considerable number of Spanish vessels of all sizes, employed in this active smuggling trade. It is then evident, according to this faithful account, that very little can be said with respect to the decree of November, 1797, relative to New Spain, as it was not carried into effect until the latter end of 1798; but it is also evident, that since that period, although the neutral vessels admitted lately at Vera Cruz were loaded only on account of Spaniards,* and of course, by this limitation, the concurrence has not been considerable—since that period, I repeat, the articles they were formerly so much in want of, and that were at such an extraordinary price, have begun to abound; and, on the contrary, the produce of the country has increased in value, and obtained a quick and conti-

* By the Royal Decree of November, 1797, Spaniards were permitted to make shipments to our Colonies from neutral ports in neutral bottoms, but they were in no manner prohibited this trade from Spanish ports. Nevertheless in the Spanish port of the Havanna, (I am informed by persons worthy of credit) Spaniards have not been permitted to trade to the port of Vera Cruz, *except one commercial house*. I am ignorant of the motive or by what authority the Spaniards of the Havanna were deprived of the benefit of that trade in *favour of one person alone*; but of what there is no doubt of, is, that by such a measure, Spaniards coming with cargoes from neutral ports were admitted into Vera Cruz, when at the same time, amidst the superabundance of merchandize of every kind in the Havanna, they were not permitted in their own country to enjoy the privilege they had from abroad,

nual export. Let us now turn our eyes towards the fertile and important Province of Caracas, and let us examine whether the decree of November, 1797, has been prejudicial to it.

Nature has established, in all her movements, immutable laws. The Physical as well as the Moral World is subject to her wise rules. The laws of gravity and attraction are as unalterable in Physic as the principle in Commerce that the price of Merchandize must be in direct proportion to the demand: it is also equally true, that where there exists no demand, there also will exist neither sale nor purchase, and of course no trade. The Province of Caracas, in spite of its local advantages, has not been an exception to this general rule. Ever since the commencement of hostilities by the English, the same melancholy effects, which we have already described in his Majesty's other possessions, were experienced in this province. The National Commerce being unable to send the necessary supplies, entirely abandoned Caracas to her fate. The Spanish ships deserted her coast, left her in misery and in the impossibility of supplying herself, by the rigour of the existing laws. The exportation of her produce entirely ceased; agriculture fell into a languishing decay, and her inhabitants were reduced to the greatest necessity. They not only were in want of such articles as contribute to the convenience and comfort of life, but they were even deprived of those most indispensable thereto. Flour, wines, brandies, linens, and woollens—in short, every thing was wanting, in a province destined by nature to be well stored, rich, and flourishing. Her rulers, witnesses of this general misery and distress, believed, with reason, it was their duty to modify the laws to the circumstances; convinced that they could not and should not have any other object than the public good. The notorious just disposition of the King, and his benevolent intentions, as well as the wants of the Colony, determined the Intendant to

propose to Don Carlos Martinez de Yrujo, His Majesty's Envoy to the United States, to invite the Americans to carry supplies to that unprovided province: but it was his wish, that the vessels should first proceed to the Caracas in ballast, there purchase a cargo of produce, and afterwards they should be permitted to import, in return, provisions and dry goods, equal to the amount of the produce they might have exported. This limitation was indeed equal to a prohibition, for it was necessary that the Americans should lose a freight on the first voyage, and that they should carry along with them money, on which they would likewise lose the premium of Insurance, as it was impossible for them to obtain letters of credit, or bills, on people with whom they never had had any connection: under such disadvantages no American ship would have steered its course towards those coasts. The Chevalier de Yrujo, who thinks in every respect as I do, not only made these just observations to the Intendant, but also added, " If the province is in want
 " of the articles you desire, and if there are no
 " hopes of receiving them through the channel of
 " the national Commerce, there remains no other
 " alternative than to open immediately the ports
 " of Caracas to neutrals. What is it the province
 " can desire? to purchase the articles that are
 " most wanted as cheap as possible, and to find a
 " quick vent for their produce, at the highest and
 " most advantageous terms. Both these objects
 " will be easily obtained by the concurrence of
 " strangers." This irresistible observation convinced the Intendant, and in consequence he left to the minister the liberty of acting on the subject as he thought fit. The Chevalier de Yrujo, without the least hesitation, immediately opened the ports, and he had the satisfaction to see his opinion corroborated by the decree of November, 1797, which appeared shortly after. From that moment the melancholy symptoms of decay vanished from

Caracas; neutral vessels enlivened her ports and carried with them abundance; Agriculture once again displayed its former activity and the planters sold their crops to advantage. More, by a fortunate reaction Spain has been supplied with its own Cocoa, of which she would have been entirely deprived, or would have received only foreign supplies or some from Caracas, through the industrious hands of the smuggler. We can assert that if the duty on exports at Caracas and imports in Spain had not been so high, if the French and English privateers had not interrupted the American navigation, and if the blockade of Cadiz had not increased the risks and difficulties of the voyage to that port, the Spaniards would have obtained this precious article, of the first necessity to them, in abundance and at the most equitable price, by means of the navigation of the neutrals.

Will the same good effects follow from the Royal Order issued in April 1799, closing the ports of the Colonies to neutrals? time, time alone, will be able to ascertain this; but although more than a thousand leagues distant from Spain, whilst writing these Observations, I dare anticipate that if the said Order be rigourously carried into effect, the Mother Country will be in great want of the produce of the Colonies, and that the consumers, who are at least one fourth of the nation, will pay for Sugar and Cocoa most exorbitant prices; and all this in obedience to the will of half a dozen of speculators of our ports.

My pen, tired of tracing such melancholy scenes, with difficulty continues to delineate the painful career which yet remains: imagination fatigues and saddens itself in the contemplation thereof, but the desire of seeing these abuses corrected animates me to continue the examination of the chain of misfortunes that threaten our Colonies, by the unjust pretensions of our merchants. I am thoroughly convinced that a knowledge of the evil is the be-

ginning of the cure; and I am equally so that the King and his Ministers, whose intentions are directed towards the general welfare of the nation, will destroy the evil in the root, and will easily grant to the nation all that assistance they so anxiously desire. Let us then follow the coast from Caracas, and without stopping at the small settlements on the Oronoco, let us arrive at the banks of the River de la Plata.

Buenos Ayres unites, to the circumstance of being an immense magazine of provisions, the advantage of its situation. This attracts to that port the produce of Paraguay, of the interior provinces of Peru, and of the kingdom of Chili. The worthy Vice Roy of Peru, the Marquis of Oforno, caused, when he was Governor of Chili, a road to be opened, across the Cordilleras, which facilitated the communication betwixt those possessions on the South Sea and the city of Buenos Ayres; but neither this road nor that of Mendoza, that opens the communication with Peru, would have been in the least useful, had not the regulations for the free trade destroyed the ancient restrictions, by far a more difficult and troublesome barrier than the Andes, which separate them. The liberty of exporting the produce of those interior provinces having been established through this channel, Buenos Ayres acquired both riches and importance. The merchants of Cadiz, and the industrious Catalonians, not only supplied the wants of the city, but likewise attended to the necessities of some of the provinces of Peru. This traffic, advantageous to all the parties interested therein, also ceased by the war. The ships from Cadiz and Barcelona disappeared in that beautiful river; and the scene presented the same tragical events there as in the other Spanish Colonies; viz. a total stagnation and an entire want of the most essential articles. Fortunately wheat is abundant and of a good quality, and beef so extremely cheap that an ox can be obtained for little more than a dollar: by these

means the inhabitants of Buenos Ayres obtained what was necessary for their subsistence; but they still were without clothing, brandies and other articles of immediate want. This scarcity, this ruined state of Commerce, not only injured the inhabitants of the province of Buenos Ayres, but moreover its very security was endangered by want of some essential articles. Nails, Cordage, Canvass for sails, and other important objects, could hardly be obtained for the love of money. I have been assured that Pitch was sold last year for the use of some galleys, or gun-boats, at 40 dollars per barrel, whilst it only cost in the United States two or three: all other European goods most extravagantly dear; Hides and other produce of the country without price. In consequence of the decree of 1797, some shipments were made, which alleviated in part the necessities of that place, but these supplies were trifling indeed, I am informed, when compared to the wants. From the ports of the United States, there have sailed in the course of fourteen months,* about five vessels who purchased their Tafajo (jerked or dried beef) at a dollar and a half per quintal, which sells in the Havanna at ten. At any rate it is evident, that the succours they have received were through the shipments made in neutral vessels by his Majesty's subjects, in consequence of the Royal Order of 1797. Can it then be said, that it has not produced any advantage? If it was deficient in any respect, it is, in my opinion, that it was not even more liberal with respect to the port of Buenos Ayres, which owing to its distance and the little value, as well as the voluminous nature of the objects it offers for exportation, might perhaps present only a weak temptation to the speculator.

* This Essay was written in October 1799: since that period, some other shipments have been made to the port of Buenos Ayres.

If such was the deplorable state of those Spanish Colonies, which, from their situation, could expect, with much more ease, succours from the Mother Country, what must have been, what actually is, and what will be, the situation of the Kingdoms of Chili and Peru? It is not difficult to guess. There are, nevertheless, some reasons with respect to those rich possessions, that should calm our anxiety. The means of their subsistence does not depend on the caprice or efforts of the merchants. Their Agriculture must have supplied them with those indispensable articles for their preservation: their manufactories, although coarse, must have afforded them the means of clothing the people. But were either their Agriculture or the exportation of produce very active? let the merchants answer this, and say what quantities of merchandize they have introduced into Peru, and mention the returns they have presented in the ports of Spain, during the war? In good faith, they cannot complain of having had any rivalship in that trade: let us then examine the custom house books of 1797, and 98, and see if they are in a situation to furnish the Colonies in time of war; let us compare the imports and exports of the years of peace with the above mentioned two, and we will immediately find the solution of the problem.

By what I have here said, I have sufficiently proved, that the Royal Order of April, which the merchants have surprized from the good faith of the Ministry, closing the ports of the Colonies to the shipments made by Spaniards in neutral bottoms, is contrary to the interest of the Colonies: I shall now proceed to make some rapid observations, to shew that it is equally contrary to the interest of the Mother Country, of the King and of the Merchant in general.

The exportation of the produce and manufactures of Old Spain is, without doubt, of great advantage to its Industry and Agriculture. Many of

these productions of Spain enjoy a decided preference in some of our American settlements : and among the articles of our manufacture, although few in number, there are some that are preferred to those of the same kind from foreign countries. The neutrals, like true merchants, do, and will always, seek, if they be permitted to return to our Colonies, such articles as are adequate to the use of the consumers. By the knowledge they have obtained from experience, the Americans have exported from Spain, with this view, for some time past, much Iron from Biscay; *Paper-florete*, Brandies and Wines from Catalonia; Wines of Vinarcarlo, and Oils from Valencia; Dried Fruit, Soap and Wines from Murcia, Malaga and Xerez; &c. &c. They do not so much take them for the consumption of the United States as to re-export them to the Spanish possessions. As a proof that this is their destination, all these articles have risen considerably in the ports of the United States, since those of Spanish America have been opened, and their continual demand will increase that of the neutrals in Spain, for the same articles. If the Royal Order of April is carried into effect, our Brandies, Wines, Oils, Soap, Writing Paper, and other innumerable articles, will remain in Spain without export: for the trifling and insulated operations of some merchants, who may venture to dispatch a vessel or two to our Colonies, cannot be compared to the established and continual trade of neutrals, who would take said objects as returns in part for the Cocoa of Caracas, Sugars of the Havana, Cochineal, Jalap and Brasiletto of Vera Cruz, which they carry to Old Spain. It is then evident, that to cut off this Commerce, without substituting any other more advantageous, will cause, among other evils to Spain, that of annihilating the exports of the Mother Country. There are other considerations still more powerful. The Cocoa, Sugars and other produce of our America,

have become articles of the first necessity for a great part of the nation ; and experience having evidently demonstrated, that our merchants cannot introduce them in time of war, in proportion to their demand, if the ports are shut to neutrals it will naturally result, that the Spanish subject will be under the necessity of paying 40 or 50 dollars the cwt. or perhaps more, for sugar, instead of 30 or 35, at which it was selling in some of our ports ; and 80 dollars the fanega, perhaps more, for Cocoa of the first quality, in lieu of 50 or 60, which was lately the price in Spain ; I speak of hard dollars : to this must be added, that if the existing differences betwixt France and the United States should be settled, as there is every reason to hope, insurance will fall considerably, and of course so will the price of our colonial produce in Spain.

If the adoption of the mercantile system, solicited and obtained by the Consulate of Cadiz, threatens the nation with the evils I have just mentioned, those that the King, or the public revenue, will suffer, by a diminution in the revenue of the crown, will not be less. In order to make a calculation as near the truth as possible, let us take the Island of Cuba as an example.

According to the Havanna Gazette, there were exported from that city in the course of the year 1798, upwards of 134,000 boxes of sugar : White Sugar sold at 10 and Brown at 8 dollars per cwt. taking the average of which, the medium price will be 9 dollars the 100lb. by this rule the total value of the 134,000 boxes, supposing each to average four quintals or 400lb. would be 4,824,000 hard dollars ; and as the duty on exportation is 9 per cent. this alone must have produced to the King 434,160 hard dollars, or 8,683,200 reals of vellon.*

* *Real de vellon* is a current coin in Spain, precisely worth 5 cents, in which the accounts are kept at the Royal treasury.

It might perhaps be said, that there were periods when Sugars were not quite so high, but besides that the difference of price was very inconsiderable, neither do I calculate the duties of *Alcavala* on the sale of said Sugars, previous to its embarkation, and I have limited my calculation solely to the port of the Havanna, without including that of St. Jago, or making mention of Coffee, Cotton, Hides and other articles, by far superior both in value and amount of duties, to the trifling difference there may have been in the price of Sugars. These 134,000 boxes, whose value we have already mentioned to be 4,824,000 hard dollars, must have been purchased by merchandize imported, let us suppose to the amount of 4,000,000 of dollars. The King recovers a duty thereon of 32* per cent. and consequently these importations must have produced him 1,280,000 hard dollars, or 25,600,000 reals of vellon, which added to the 8,683,200 of the duties on exports make 34,283,200 reals of vellon. One third of the produce enters Spain, and pays, on its arrival, 3 dollars the quintal, and of course will give 2,679,960 reals of vellon, which added to the 34,283,200, makes the total amount 36,963,160 reals vellon. This is merely a rough calculation, but it cannot be far from the truth. If the sole Island of Cuba, opened to neu-

* Since making the above calculation, I have received more correct information, which shews me I have committed some mistake therein. It appears that the duty of 32 per cent. on imports, is only on dry goods, which in reality compose three quarters of the total importations by neutral vessels. Brandies, Wines, &c. only pay 25 per cent. and provisions 22 per cent. Even with this alteration of datums, I can add, in support of my first calculation, and by information just come to hand, that the amount of the custom house revenue, in the Havanna alone, for the year 1799 was 2,100,550 hard dollars: the exportation of Sugars having increased during the said year to 165,602 boxes.

trals, does give so considerable a reinforcement to the public revenue, should the King be pleased to order the opening of the principal ports of America and Spain, during the war, under the same duties and such modifications, as I shall hereafter indicate, and if we consider the immense field which the Kingdoms of New Spain, Guatemala, the coasts of the Viceroyship of Santa Fé, the Provinces of Caracas, Buenos Ayres, Chili and Peru would open to Commerce, I do not think it would be exaggeration to calculate the duties on imports and exports, both in the ports of the New and Old World at ten or twelve millions of hard dollars.* *This amazing sum His Majesty will sacrifice to half a dozen individuals*, by closing the ports; and if it be considered that the subject will naturally consume more in proportion as the produce of his Agriculture and Commerce augments his riches, it will be foreseen that the other branches of public revenue should of course experience a proportionable increase by the effects of this liberal system. Thus the revenue suffers a new loss by the monopoly of our merchants.

The mischief that will ensue from a closure of the ports, does not rest here. The King maintains a numerous army in America, in time of war: the revenue pays for its armament, uniforms and rations: if by the abundance of the necessary articles for the purpose they should lower in price 50 per cent. the King would provide them at one half the expence they cost him at present, which in fact would be a new source of advantage. In confirmation of this truth, I have been assured that previous to the new regulations, by which the Floridas and Louisiana are now governed, the flour sent to Saint Augustine, for the use of the troops, used to cost the King upwards of 30 dollars, whilst at Sa-

* By the latter end of the preceding note it will be seen, that my calculation was rather too short, and of course it gives new force and vigour to my theory.

vannah, in the neighbouring state of Georgia, it was selling at five or six dollars per barrel. If we consider that the said flour was in the first instance shipped either from New-York, Philadelphia, or Baltimore, for a port in Spain; that previous to its embarkation it paid here the ordinary charge of five per cent. commission, besides other small charges; that to these must be added freight and insurance to Spain; that there fresh duties and commission were incurred, as well as new charges on the unloading and reshipment on board of a Spanish vessel, that the voyage to the Havanna occasioned new charges, new freight and new insurance; if to this be added the fresh commission in the Havanna, and the profit of the speculator; if again to all these charges we add those, that must necessarily have taken place from thence to Florida, the price of thirty dollars in that province cannot appear to us exorbitant. To this may likewise be added, that in the immense circuit of six or seven months, during which the flour was deposited in the damp and warm holds of vessels, the greatest part was damaged, and thus an unwholesome, rotten food was given to the troops, at a most exorbitant price, whilst at sixty leagues distance from St. Augustine, in one of the ports of Georgia, fresh flour, of an excellent quality, was selling at five or six dollars per barrel. These are yet the favourable consequences, in the Havanna and other of His Majesty's possessions, of the exclusive privilege which our merchants enjoy in time of peace!! Such a system of Commerce is so contrary to sound policy and reason, that posterity will hardly believe it possible it ever existed. It is unjust, badly calculated, and contrary to the very end that the founders of such an absurd system had in view. That a just opinion may be formed of its nature and effects, I shall present an example, which I think will convince those who fairly and impartially seek the truth.

Let us suppose, that the town of Ballecas* belonged to a foreign prince, that it abounded in Bread, Beef, Pork, and other articles of the first necessity, and that the Sovereign of said territory should invite the inhabitants of Madrid, who could not obtain these articles elsewhere for many leagues around, to provide themselves at that abundant market. Let us likewise suppose, that in this situation of affairs the merchants of Cadiz or Seville, surprizing the good faith of government, by sophistical reasons, should obtain an order preventing the inhabitants of Madrid, although threatened with famine, and possessing at their very gates abundance of fresh bread, from taking at the neighbouring market a single loaf or a pound of meat, under the most rigorous penalty; and that they, the merchants, should obtain the privilege of purchasing only this bread and provisions at Ballecas, should carry them to Cadiz or Seville, from thence, introduce them into Madrid and sell them to its inhabitants; let us again suppose, that the same course should take place with respect to Beef, Pork, Candles and other objects of immediate and absolute necessity, under the plausible pretence of encouraging trade. I now ask, how would the people of Madrid bear this measure? Under what point of view would the whole nation consider it? Would they not give it, at least, the just denomination of prejudicial, and ill calculated? Would they not say that by the time the Bread, Beef, Pork, and other indispensable articles, would arrive at their hands, besides being half rotten, they would cost them five or six times as much as it was selling for, of a good quality and fresh, at Ballecas, only one league distance from Madrid? Would not its inhabitants represent that at the same time, that this high price and bad quality of provisions impoverished them, to the great

* A small town, so called, in the environs of Madrid.

detriment of the state, it also impeded the increase of population? Would there ever exist a ministry that would not immediately open their eyes on the unjust, as well as inhuman ambition of the merchants of Cadiz and Seville, who, for the paltry profit that their interference might give, would keep in continual misery an honest people, who at least have as much right as they, to the protection of their Sovereign? No, none would exist. The King and his ministers never would tolerate such cruelty, they would treat those covetous and monopolizing merchants with the indignation they deserved. Such is nevertheless, I repeat it with pain, such is nevertheless, the situation of the Islands of Cuba, Porto Rico and other Spanish possessions. But let us follow the comparison, in order to shew in all its extent, the unjust pretensions of the merchants of our ports. Let us suppose that a formidable company of robbers should post themselves in Sierra Morena, and cut off the communication of Cadiz with Madrid, that they should take possession of all the roads and bye ways, leading from one city to the other, and that they should possess themselves of, or destroy the droves of carriers loaded with these provisions, the *sole resource* of the numerous population of Madrid. If under these circumstances and amidst the scarcity, which would necessarily result from this interruption, the merchants were to obtain a positive decree, directed to the inhabitants of that unfortunate city, ordering that, in spite of their wants and necessities, neither the inhabitants of Ballecas should be permitted to carry them provisions, or they to purchase any from those of Ballecas, but that they should expect all their succours from the merchants of Cadiz and Seville, who in reality could not supply them; what would be the situation of the people of Madrid? The application of the foregoing is not very difficult.

No, ye merchants of the sea-ports, such abuses

cannot long continue. Charles IV. is the father of his people, his ministers are wise and zealous ; the moment they behold your real picture, and see the true situation of affairs, the reign of monopoly is at an end. In order to obtain as soon as possible, so laudable an object, I shall continue without intermission the thread of my discourse.

After having proved that the execution of the Royal Order of the month of April last, will not only cause great prejudice to the Industry and Agriculture of the Mother Country, but even great defalcation in the public revenue, we shall proceed and manifest it is also contrary to the interest of the merchants of Spain in general.

The powerful and active naval forces of our enemies both off our European and American coasts, and the sad experience of many unsuccessful attempts, made in former times, to send supplies to our Colonies in Spanish vessels, will prevent most of our merchants from a repetition thereof, although they should have the power of so doing by the said Royal decree, and of course few will be the number of those that may attempt this dangerous lottery. The consequence of this will be, that only a small number of merchants, either very daring or otherwise fortunate, will obtain some benefit ; the others will remain in perfect inaction. On the contrary, should Commerce regain its activity by the admission of neutrals in Spain, the merchants in general will acquire the benefits of consignments. This commission trade is very lucrative, it does not present any risk and would give to our merchants an advantage in the sales of the cargoes that might be consigned to them, and in the purchase of returns. On the other hand, although they might experience some transitory loss during the war, they would obtain advantages at the peace, which would generously compensate this short delay. “ What “ is most to your advantage, ye merchants, either “ to find at the peace his Majesty’s possessions in Ame-

“ rica, poor, distressed, and without means, or else to
 “ find them rich and flourishing, with the power of
 “ making greater demands, and offering ye greater
 “ returns? I do not think ye need hesitate in the
 “ answer; it is then evident that the opening of the
 “ ports is as much in your favour, as the closing them
 “ will injure your interest. This is plain. The
 “ American Colonist, who by the advantageous price
 “ at which he sells his valuable produce, and by the
 “ convenience with which he purchases the articles
 “ he wants, gains yearly a considerable quantity of
 “ money, with this sum he buys more negroes;
 “ these negroes clear and cultivate more ground,
 “ this cultivation offers more produce, this in-
 “ creases the revenue of the King by its exporta-
 “ tion; this greater mass of produce employs more
 “ ships, more sailors, gives ye more commissions on
 “ its arrival, and on its sales. The new duties in
 “ Spain, still increase the produce of the King’s
 “ revenue, and offer to the nation a precious way
 “ of paying to foreign ones the balance of trade,
 “ that may result against us, and which we now
 “ pay in effective money. Besides the richer his
 “ Majesty’s subjects in America may be, the greater
 “ will also be their wants; the increase of their
 “ means will of course produce the like increase
 “ in their demands, and from thence will likewise
 “ ensue the increase of your remittances, of your
 “ speculations, of your commissions, of your ships
 “ and sailors therein employed, and finally that of
 “ the public revenue by the accumulation of du-
 “ ties.” This chain of operations, whose links are
 so intimately connected, most evidently manifest
 the identity of the interest which the King, the
 Mother-Country, the merchants and the Colonies
 have therein. Either ignorance, or badly calcu-
 lated cupidity have endeavoured to separate them;
 but to pretend to divide this union, is to violate
 the laws of nature. Let us prove by this touch-
 stone, the prohibitory order of the month of April,

and it will be seen, that the merchants, like the ignorant Indians, attempt to cut the tree to gather the fruit.

It may nevertheless happen, that availing themselves of the said Royal Order, they, the merchants, might follow a plan, which could, perhaps, give them some advantages; but then so exclusively, that neither the nation nor the Colonies would have the least share therein; though they would not fail to cover their designs under the most plausible appearances. Perhaps they will say that war is a general calamity, that every class of the state suffers by it, and that if the Colonies may thereby be injured to a certain degree, yet they are themselves willing to expose their property and fortunes to come forward to their assistance. As this method of reasoning might seduce many, I think it necessary to expose the sophistry it contains.

Let us suppose that a house in Cadiz was to prepare a cargo worth 100,000 dollars; when the merchant enters on this operation he knows very well, the communication betwixt our Colonies and the neutrals being cut, and in spite of the partial efforts of the smuggler, that the great want at the port to which he directs his cargo offers him a benefit of 200 per cent. on the total amount thereof. He of course takes the precaution of insuring not only the intrinsic value of the cargo, but also the premium of Insurance, and part of the profits he flatters himself with. Matters being thus arranged the vessel puts to sea, abandoned to its fortune, if it arrives at the destined port, although the Insurance of the cargo, of the premium and of part of the profits, may have cost him 100 per cent. still as the operation gives him 200 per cent. gain, he yet obtains a benefit of 100 per cent. If the enemies should take his vessel, he abandons it to the underwriters, and as he has not only insured the total amount of the cargo, but also the premium of insurance and a part of the profits, it results that by this unfortunate accident

instead of losing a penny, he gains all that share of the profits he may have ensured. So that whether the vessel arrives or not at its intended port, the merchant obtains in either case, a sure and considerable advantage. If what I have said before in order to prove that the interest of the state, and of the merchants are in many cases opposite and in contradiction to each other is not sufficient, this supposition will evidently demonstrate it, as it is clear that if the greater number of vessels which sail from Cadiz,* Santander and other ports of Spain for our Colonies were taken by the English, being thus ensured the merchants would gain instead of losing, and yet the inhabitants of our Colonies would be under the necessity of going as naked as the Indians, and of eating each other for want of provisions. But no, foreign contraband, which has in so many instances diminished the distresses of our Colonies, would undoubtedly return to its succour. It is necessary to

* Since writing the above, I have seen by the newspapers that a number of small barks, dispatched from Cadiz for Vera Cruz, and other ports of our Colonies, without doubt in consequence of the order of the 20th April last, have been taken and carried into the British West India Islands. Don Joseph Maria Cordero, Captain of the bark called the *Tonine*, writes from Bermuda, where he is a prisoner, to His Majesty's Minister in Philadelphia, in the following terms :

“ Eight or ten barks sailed from Cadiz, from twenty to
 “ twenty-five days before me, with the like cargo, and with
 “ the same destination. Those numbered ten, eleven and
 “ twelve, sailed in my company, and those numbered thir-
 “ teen, fourteen, fifteen, sixteen, were to sail on the follow-
 “ ing day. On the 4th of July I was informed in this
 “ place that two barks were at Providence, one in Jamaica,
 “ another in Tortola, and one more in St. Kitts; this last
 “ mentioned bark was seen by the person who gave me this
 “ information. I do not know of any other being taken,
 “ but I can only say, that there were a great number of pri-
 “ vateers out when we sailed, for I am informed there are
 “ nine out from this Island alone.” After what is said, I
 shall abstain from further remarks.

undecieve ourselves, the moment that articles of absolute necessity are either prohibited or charged with exorbitant duties, contraband immediately rises its head. This is a general rule confirmed in England, France, Spain, America, and in all parts of the world. We at present behold thousands of men who sell their lives for sixpence a day, can we then doubt that they will want resolution when with much less risk they can gain hundreds and even thousands of dollars? Can it be hidden from us that often from the very profits which this crime offers, arises the means of making accomplices therein those who are but badly paid to prevent it? Tea formerly paid in England most exorbitant duties and in spite of the numerous cohorts of guards by land and revenue cutters by sea the contraband trade that existed in this article was immense. Pitt had hardly entered the ministry when he determined to destroy the evil which caused so many others to the state. He obtained this end effectually. But how? Was it by increasing the useless and expensive number of guards, who absorb a great part of the revenue under the pretence of rendering it productive? No; he decreased the duties considerably, and immediately this precious article reentered the regular channel of trade. Previous to the adoption of this wise measure it only appeared by the customhouse books that the annual importation of tea amounted to eight millions of pounds, and in the second year after the passing of this famous bill, the importations according to the same books, amounted to upwards of **TWENTY-FOUR MILLIONS OF POUNDS!** Pitt made himself very popular, contraband was destroyed, the revenue was increased, and the people of England obtained abundantly and at more moderate prices an article as necessary to them as Chocolate is to us. The adoption of a similar principle would answer the same salutary effects in Spain if applied to the Tobacco revenue. When we took an active part in the war of American Indepen-

dence, the council of state determined to increase its price from 32 to 40 reals per lb. with the laudable intention of drawing from this article of luxury, considerable means to attend to the wants of the crown. But experience has convinced us how much the council were mistaken by the results of this measure. Contraband which had already been very active before this augmentation, increased after this dangerous measure. Whole companies of a hundred or more smugglers crossed Andalusia on their way to purchase Tobacco on the frontiers of Portugal: on their return, they sold it with the same facility and boldness. In vain were troops employed to pursue them; in vain the guards were increased and contraband was proclaimed a mortal sin, from the pulpits—all, all, in vain; it continued, and will always continue, to the prejudice of the revenue and ruin of many families, whilst the present system exists. In 1785 I made a comparison of the produce of the Tobacco revenue for four years previous to, and after the augmentation of the price of that article, with documents from the office of the Superintendent General of revenue, which my friend, Don Francisco de la Dehesa, furnished me with; and from this examination, there appeared to be, if I recollect right, an annual diminution in the consumption, of more than a million and a half of pounds, and the total amount of that revenue was within a trifle of about the same as before. So that the only advantages arising from this alteration of price, was a considerable increase of expence and a still more considerable increase of smuggling, besides the ruin of many families. I am therefore perfectly convinced, that if Tobacco was reduced to 24 reals vellon, the produce of the revenue would be greater, the expenses less, and a mortal blow would also be given to this contraband; besides the advantage that would result from bringing back to honest and useful industry the many unfortunate Spaniards who are actually deluded by the attraction of a criminal.

gain. Much could be said on this head; but as it is foreign to the present subject, I shall return to that of the amazing contraband trade which must take place in our Colonies, if the Royal resolution of the month of April is ever carried into effect. In order to shew that my fears are not groundless, and to demonstrate that the contraband trade of the English has always increased in the same ratio of our prohibitions, I shall here faithfully copy a passage from Edwards's *Abridgment of the Civil and Commercial History of the British West Indies*, published in London in 1794. Vol. 1st, page 114 to 116.

“ As the trade which is carried on between Jamaica and the Spanish territories in America, has been already mentioned, the following account of it in its present state, and of the means which the parliament of Great Britain have adopted to support it, may not perhaps be unacceptable to the reader. Formerly, as is well known, it was a very extended and highly advantageous intercourse; for towards the beginning of the present century, it was supposed to have given employment to 4,000 tons of English shipping, and to produce an annual vent of British goods, to the amount of one million and a half in value. For many years, however, the trade has been on the decline. Since the year 1748, the court of Madrid seems to have been actuated by a more prudent and liberal policy, towards its American dominions; and in proportion as the severity of the ancient regulations has abated, the contraband traffic has gradually diminished. Notwithstanding this, however, the intercourse with Jamaica in Spanish vessels was very considerable, so late as the year 1764.

“ At that time, the English ministry issued directions to enforce the laws of navigation with the utmost rigour; and the captains of British men of war had custom-house commissions given

“ to them, with orders to seize indiscriminately
 “ all foreign vessels that should be found in the
 “ ports of our West India Islands, a measure which
 “ in reality converted our navy into guarda-costas
 “ for the Spanish King. The Spaniards by these
 “ proceedings, were deterred from approaching
 “ near us; and in the year 1765, the exports from
 “ Great Britain to Jamaica alone were deficient
 “ by 168,000*£*. sterling, of the year 1763.

“ A more prudent and sagacious ministry endea-
 “ voured to remedy the mischief, by issuing orders
 “ for the admission of Spanish vessels as usual, but
 “ the nature and design of those orders were so
 “ amply explained in the British parliament, that
 “ the Spanish court immediately adopted a mode
 “ of conduct equally efficacious for counteracting
 “ them. This consisted in laying open the trade
 “ to the Islands of Trinidad, Porto Rico, Hispan-
 “ niola and Cuba, to every Spanish Province, and
 “ suffering goods of every kind to be sent thither
 “ on the payment of moderate duties.

“ Such, however, is the superior excellence or
 “ cheapness of British manufactures, that the trade
 “ would probably have revived, if the British mi-
 “ nistry of 1765, had desisted from any further
 “ measures, after giving orders for the admission of
 “ Spanish vessels into our ports in the West-Indies.
 “ But in the year following, they passed an act of
 “ parliament for opening the ports of Jamaica and
 “ Dominica, to all foreign vessels that came under
 “ a certain description. The jealousy of Spain was
 “ roused by this measure; and the subsequent ex-
 “ ertions of our parliament, served only to in-
 “ crease, instead of alleviating the malady. The
 “ collectors at the several British free ports, by an
 “ unfortunate oversight, were ordered to keep re-
 “ gular accounts of the entry of all foreign vessels,
 “ and of the bullion which they imported, together
 “ with the names of the commanders. The court
 “ of Spain found means to procure copies of these

“ accounts; and the consequence of this was, that
 “ many poor people, who had been concerned in
 “ transporting bullion into our Islands, were de-
 “ troyed. As soon as the British ministry were ac-
 “ quainted with this circumstance, they revoked
 “ the former instructions: but the remedy came
 “ too late to be efficacious; for it was natural to
 “ suppose, that the Spaniards would avoid all in-
 “ tercourse with a people, whom neither the safety
 “ of their friends, nor their own interest, could
 “ engage to confidence and secrecy.

“ Hence the little trade which at present subsists
 “ with the subjects of Spain in America, is prin-
 “ cipally carried on by small vessels from Jamaica,
 “ which contrive to elude the vigilance of the
 “ guarda-costas.”

This passage clearly explains the object His Bri-
 tannic Majesty's Council had in view, by opening
 about two years ago, the ports of Jamaica and Pro-
 vidence to the Spaniards, although in time of war,
 and by it will also be seen, that the order of April
 last, closing our ports in America, far from putting
 a stop to the contraband traffic, will therein pro-
 mote the views of our enemies.

There are a certain class of people, who, either
 from want of information or a want of confidence in
 their own understanding, give more credit to acts of
 authority and examples, than to the conviction of
 sound reasoning. In order to convince persons of this
 description, I shall refer them to the practice of those
 nations who possess Islands in the American Archi-
 pelago. The Danes have made of St. Thomas,
 the only Island they have, a free port, to the great
 advantage of that colony. The French have not
 only opened all their ports for every species of pro-
 visions and merchandize, but they have even taken
 very submissive steps towards the American Go-
 vernment, to induce them to revoke the prohibition
 they had imposed on their citizens against trading
 with the French Islands; they have obtained this

in part, under certain promises and conditions, which in any other circumstances would not have been considered very honourable. The Dutch have also opened to foreign trade all their Islands, as well as other possessions on the continent: they receive every kind of merchandize, and they have not imposed any restriction on the exportation of any article whatever. Even the English themselves, in spite of the facility which the superiority of their navy and the regularity of their convoys give them in trade, although possessing Canada, which offers them resources of Grain, Lumber and Cattle; notwithstanding the abundance of wheat which generally prevails in England; of the salt provisions of Ireland, and of the Timber they draw from the Baltic, yet with all these advantages they receive in their Islands, the Flour, Beef, Pork, Rice and every other kind of provisions, the Lumber for Ship and House building and Staves from the ports of the United States. They permit in return the exportation from the Islands of all their produce, even of Gold and Silver, with the sole exception of not exporting, in neutral bottoms, Sugar, Coffee and Cotton. Now if the English, with all these advantages, do not only find it useful, but even necessary to recur to the vast deposit of the United States, in the name of reason, in the name of justice, in the name of humanity, why should we not do as much? Have we more resources? have we better means of communication? do we obtain the like advantage of regular convoys and the protection of an active and numerous navy? Besides, why do we separate ourselves from certain sound principles, the truth whereof is daily confirmed by experience in order to follow ancient prohibitions which it so clearly condemns?

What plan is there then left for us to adopt? One equally simple, easy and salutary, which will produce advantages to all parties concerned; one that will cause the Colonies to prosper, that will

assist the revenue, and one that will not less satisfy the merchants. As policy requires it, let all English manufactures be prohibited, excepting, nevertheless, negroes and instruments of sugar works and of Agriculture; the prohibition of these articles would cause but little damage to our enemies and would injure us beyond calculation. To avoid fraud, let it be ordered that no vessels shall be received without the passports of the Spanish Consuls who reside in the ports or districts from whence they may sail. Let it be enjoined to the said Consuls not to grant passports until the shippers declare *under oath*, before a Notary Public, that their vessels do not carry any article of British produce or British manufacture, and let the Captains be obliged to produce on their arrival at our ports this document, legalized by the Consuls of Spain. Let there be appointed in our custom houses intelligent and zealous inspectors, well acquainted with the specie and manufactory of the goods that may be presented to them. These precautions being taken let all the principal Spanish ports of America be laid open to neutrals, and let them be permitted to introduce provisions and merchandize of every kind paying on their arrival the duty of 32 per cent. Let the duty of 20 per cent. which is now paid on exportation be reduced to 10 per cent.* Let our merchants make whatever shipments they choose, paying only 5 per cent. on their imports in the Colonies, and let them export from thence duty free. A regulation of this kind will cause our Colonies, in the New World, to flourish: it will give to the Royal treasury an annual revenue of ten or twelve millions of dollars: it will, facilitate to Spain, abundantly and cheap, the produce she may want of her Colonies, and by the effect of the concurrence of neutrals in her European ports, the produce of

* This is a mistake, as I understand they pay only 9 per cent.

her soil and Industry will be sold at advantageous prices, and in greater quantity, in order to be re-introduced in her American possessions; finally our merchants will be able to trade with the advantage of 37 per cent. given them, in America, on the duties charged to foreigners, and they might also obtain a similar advantage in Spain.

It is then evident that this plan appears to reunite all the various interests. I could add many other observations in support of the above indicated plan. There are, in fact, some of such magnitude and importance, that although *I do not mention them they are not difficult to guess*: at all events, if those I have exposed are not sufficient to produce that conviction which I have endeavoured to obtain, the enumeration of every other would also be useless.

In the course of this essay, I have permitted myself some expressions respecting the merchants, which may cause some to think I am a sworn enemy to them and to Commerce. But if they read this pamphlet with attention and impartiality, they must acknowledge I am as much a friend to Commerce as an enemy of the monopoly I have endeavoured to destroy. Far from wishing to insult the merchants, I shall now repeat what I have already said, that they are useful, necessary, and worthy of the protection of the Government, *when they endeavour to combine their private interest with the general good of the state*. They form an honourable class, intitled to respect, and in which I flatter myself of possessing some friends, as respectable for their virtue and honesty as they are for their liberality and opulence. I hope that the greatest part of them will perceive, in all its extent, the truth of the assertions, I have been obliged to bring forward in the course of this little work; but if either from a want of examination or seduced by the temptations of avarice, they should not be satisfied I shall conclude, saying, "*Amicus Plato sed magis amica veritas.*"

A STATEMENT of the Coffee, Cotton, Indigo, and Sugar imported into France
from 1782 to 1790,

Dates.	Coffee.		Cotton.		Indigo.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
1782	69,574,600 lb.	52,180,973	4,376,600 b.	7,002,542	3,072,450 lb.	30,724
1783	45,848,200	36,678,800	5,946,800	10,419,512	1,567,066	15,280
1784	66,041,600	50,792,973	4,856,500	8,742,160	1,614,300	15,380
1785	73,361,940	58,801,814	6,978,580	15,470,536	1,694,470	15,230
1786	66,231,270	58,258,630	7,595,195	19,077,027	1,383,680	12,890
1787	76,566,800	73,159,154	9,285,534	26,240,730	1,186,620	11,430
1788	78,544,818	87,641,946	10,055,654	21,782,431	1,110,922	10,430
1789	92,612,660	97,358,972	9,340,785	15,218,329	1,107,092	10,510
1790	95,583,427	105,224,829	9,023,076	15,866,428	838,392	8,150
Grand total for the nine years.	664,365,315	620,098,091	67,456,724	139,819,695	13,574,992	130,100
Average of each year.	73,818,368	68,899,788	7,495,191	15,535,521	1,508,332	14,450

into France from its American Colonies, during the Space of nine Years ; viz.
to 1790, inclusive.

Indigo.		Brown Sugar.		White Sugar.		Total amount of each year's exports, in French livres.
Year.	Value.	Quantity.	Value.	Quantity.	Value.	
1780 lb.	30,724,550	36,949,020 lb.	13,066,847	112,799,600 lb.	51,889,748	154,864,660
86	15,283,605	29,372,900	10,669,221	82,288,900	43,814,509	116,865,647
90	15,387,460	55,456,480	16,824,536	93,214,130	44,501,400	136,248,529
94	15,233,515	80,814,400	26,614,895	118,627,750	59,463,454	175,584,214
98	12,891,713	81,056,140	29,150,099	93,167,880	49,262,316	168,639,785
20	11,458,243	88,276,200	30,857,092	76,307,886	39,746,333	181,461,552
22	10,452,104	111,493,984	45,030,962	76,856,853	44,539,280	209,446,723
92	10,516,394	117,946,629	51,297,516	66,032,571	41,411,073	215,802,284
92	8,158,302	127,282,960	58,371,200	59,842,483	40,253,820	227,874,579
92	130,105,886	728,648,713	281,882,268	779,138,053	414,881,933	£. Ts. 1,586,787,973
32	14,456,209	80,960,968	31,320,262	86,570,861	46,097,992	£. Ts. 176,309,772